

FOURTEENTH DAY

(Tuesday, April 6, 1954)

The Senate met at 10:30 o'clock a. m., pursuant to adjournment, and was called to order by the President.

The roll was called and the following Senators were present:

| | |
|-----------|------------------|
| Aikin | Moffett |
| Ashley | Moore |
| Bell | Parkhouse |
| Bracewell | Phillips |
| Colson | Rogers |
| Corbin | of Childress |
| Fuller | Rogers of Travis |
| Hardeman | Rutherford |
| Hazlewood | Sadler |
| Kazen | Secrest |
| Kelley | Shireman |
| Lane | Strauss |
| Latimer | Wagonseller |
| Lock | Weinert |
| Martin | Willis |
| McDonald | |

Absent

Russell

A quorum was announced present.

Reverend W. H. Townsend, Chaplain, offered the invocation.

On motion of Senator Aikin, and by unanimous consent, the reading of the Journal of the proceedings of yesterday was dispensed with and the Journal was approved.

Senate Concurrent Resolution 11

Senator Moffett offered the following resolution:

S. C. R. No. 11, Designating Fifth Annual Public Schools Week in Texas for March 7 through March 12, 1955.

Whereas, The observance of the fourth annual Public Schools Week in Texas, recently held from March 1 through March 6, upon the centennial anniversary of the founding of the organized public educational system of Texas, was the most successful observance thus far held, and was received with greater interest and participation of parents, school patrons and citizens generally than any of the previous observances; and

Whereas, The Texas Legislature desires to express its belief that a sound, progressive system of education requires the active interest of all of our people, and that it is the privilege and

likewise the duty of every citizen in the State to cooperate with their respective school board members, superintendents, principals and teachers in an effort to improve the public educational system in all local communities, and also upon a Statewide basis, and that such cooperation can best be developed by personal inspections and visitations to our schools, and personal contacts with school board members, administrators and teachers; and

Whereas, The regular sessions of the 52nd and 53rd Texas Legislature adopted resolutions designating Public Schools Week for the first week of March for 1951, '52, '53, and '54; and

Whereas, It is definitely in the public interest for such a program to be further conducted on an annual basis; now, therefore, be it

Resolved, by the Senate of Texas, the House of Representatives concurring, That the week of March 7 through 12, 1955, be designated as the Fifth Annual Public Schools Week in Texas, and that we urge all Texans to visit a public school during this period in order to become personally acquainted with the physical plants of our public school system and with the progress and accomplishments of our public educational program.

MOFFETT
KELLEY
AIKIN

The resolution was read.

On motion of Senator Moffett, and by unanimous consent, the resolution was considered immediately and was adopted.

Senate Concurrent Resolution 12

Senator Colson offered the following resolution:

S. C. R. No. 12, Extending congratulations to citizens of Madison County on one hundredth anniversary.

Whereas, The year of 1954 marks the 100th Anniversary of the organization of Madison County, Texas; and

Whereas, In 1854, this county was created by the Fourth Texas Legislature from parts of Grimes, Leon and Walker Counties and derived its name from James Madison, the fourth President of the United States; and

Whereas, Madison County is bound-

ed on the east by the Trinity River, on the west by the Navasota River and on the south by Bedias Creek, and has soil and climatic conditions suitable for diversified farming and stock raising; and

Whereas, During the eventful century of its existence, Madison County has remained sound and substantial, both as to material and spiritual values, and its people have still retained the original fine qualities of the founders and builders of the area; and

Whereas, On June 4 and 5, 1954, the nationally known Madisonville Sidewalk Cattlemen's Association will sponsor a reunion and program of entertainment of a size and scope which will be in keeping with the importance of the memorable occasion; and

Whereas, This is the first time in the colorful fourteen-year history of this organization that it will hold a two-day and three-night thrill-packed and fast-moving series of festivities, including parades, barbecues, dances, rodeos, horse shows, the famous Madisonville Quadrille and other features of interest, with June 4 designated as "Dairy Day" and June 5 as "Beef Cattle Day"; and

Whereas, The neighboring towns and cities will send some of their loveliest and most talented young ladies and their escorts to Madisonville to join the representatives of local organizations in observing this momentous event; and

Whereas, It is proper and appropriate to give recognition to such a significant milestone in the progress of this typical Texas county and to pay tribute to its residents, who are worthy successors to the pioneers who laid well its foundation a long century ago; now, therefore, be it

Resolved, by the Senate of the 53rd Legislature of the State of Texas, the House of Representatives concurring, That the Legislature does hereby extend congratulations to the citizens of Madison County on the occasion of this one hundredth birthday of the county and does commend the Madisonville Sidewalk Cattlemen's Association for their initiation of a program which will foster loyalty, appreciation and fellowship; and be it further

Resolved, That official copies of this resolution be sent to the sponsors of the Madison County Centennial Celebration.

The resolution was read.

On motion of Senator Colson, and by unanimous consent, the resolution was considered immediately and was adopted.

Senate Resolution 62

Senator Phillips offered the following resolution:

Whereas, We are honored today to have in the gallery the Senior Class of Angleton High School, Angleton, Texas, accompanied by Superintendent Charles M. Kelso, Mrs. Lloyd Caroon, Jr., Mrs. Roy Collins, Mrs. J. N. Ashcraft, James V. Bishop, Mrs. Lucille Key and James Frazier; and

Whereas, These students and guests are on an educational tour of the Capitol Building and the Capital City; and

Whereas, These fine young American citizens are here to observe and learn firsthand the workings of their State Government; now, therefore, be it

Resolved, That we officially recognize and welcome this class and commend them for their interest, and that a copy of this resolution, properly indorsed, bearing the official seal of the Senate, be mailed to them in recognition of their visit.

The resolution was read and was adopted.

Senator Phillips presented the students and Mr. Kelso, Mrs. Caroon, Mrs. Collins, Mrs. Ashcraft, Mr. Bishop, Mrs. Key and Mr. Frazier to the Members of the Senate.

Message from the House

Hall of the House of Representatives,
Austin, Texas,
April 5, 1954.

Hon. Ben Ramsey, President of the Senate.

Sir: I am directed by the House to inform the Senate that the House has passed the following:

H. C. R. No. 10, Congratulating Johnson County on its 100th Birthday Celebration.

S. C. R. No. 9, Congratulating City of Navasota on 100th Anniversary Celebration.

S. C. R. No. 10, Congratulating City of Nacogdoches on 175th Anniversary.

H. C. R. No. 28, Asking the director of the Livestock Sanitary Commission to furnish the next Session of the Legislature with information concerning the disease of Vesicular Exanthema.

H. C. R. No. 29, Pertaining to the Canadian River Bridge and its contract with the State Highway Department.

Respectfully submitted,

CLARENCE JONES,

Chief Clerk, House of Representatives.

Resolution Signed

The President signed, in the presence of the Senate, after the caption had been read, the following enrolled resolution:

H. C. R. No. 26, Congratulating the Boys' Choir of the Houston Youth Symphony and inviting them for a Joint Session on Monday, April 5, 1954.

House Concurrent Resolution 24 on Second Reading

The President laid before the Senate on its second reading the following resolution:

H. C. R. No. 24, Congratulating the citizens of Erath County on the occasion of their one hundredth anniversary celebration.

The resolution was read second time.

On motion of Senator Martin, and by unanimous consent, the resolution was considered immediately and was adopted.

House Concurrent Resolution 25 on Second Reading

The President laid before the Senate on its second reading the following resolution:

H. C. R. No. 25, Relating to the Coryell County Centennial Celebration.

The resolution was read second time.

On motion of Senator Martin, and

by unanimous consent, the resolution was considered immediately and was adopted.

Presentation of Guests

Senator Rogers of Travis, by unanimous consent, presented his mother, Mrs. Clyde Owens, to the Members of the Senate.

Senate Resolution 63

Senator Moore offered the following resolution:

Whereas, We are honored today to have in the gallery of the Senate the Sixth Grade of Hearne Elementary School, accompanied by their sponsors, Mrs. M. C. Jones, Mrs. G. R. Warner, and Mr. A. T. Barrett, principal; and

Whereas, These students and guests are on an educational tour of the Capitol Building and the Capital City; now, therefore, be it

Resolved, That these individuals be officially welcomed and recognized by the Senate, and that they be extended the courtesies of the floor for the day.

The resolution was read and was adopted.

Senator Moore presented the students and their teachers and sponsors to the Members of the Senate.

Senate Resolution 64

Senator McDonald offered the following resolution:

Whereas, Mr. and Mrs. Chas. H. Fuller, Sr., of Troup, Smith County, Texas, are visiting the Capitol today; and

Whereas, Mr. and Mrs. Fuller are prominent and outstanding citizens of their community and of our State; and

Whereas, These honorable and respected citizens are the parents of Senator Jep S. Fuller; now, therefore, be it

Resolved, by the Senate, That Mr. and Mrs. Fuller be recognized and extended a hearty welcome and be given the privilege of the floor for today.

The resolution was read and was adopted.

Senator McDonald presented Mr.

and Mrs. Fuller to the Members of the Senate.

Senate Resolution 65

Senator Wagonseller offered the following resolution:

Whereas, We are honored today to have in the gallery of the Senate, Mr. Jerry Thompkins, of Waskom, Texas, and Mr. Tommy Thompkins, Mr. W. J. Stone, Mr. Roland Peters, Mr. Wade Bond, Mr. Johnny Johnson, Mr. James McCall, Mr. Joe Janeway, Mr. C. W. Hodge and Mr. Jeff Henderson, all of Nocona, Texas; and

Whereas, These guests are outstanding citizens of North Texas; now, therefore, be it

Resolved, That these individuals be officially welcomed and recognized by the Senate, and that they be extended the courtesies of the floor for the day.

The resolution was read and was adopted.

Senate Resolution 66

Senator Martin offered the following resolution:

Whereas, We are honored today to have in the gallery the Junior and Senior Classes of Sidney High School, accompanied by Mrs. Pinkard, their sponsor; and

Whereas, These students and guests are on an educational tour of the Capitol Building and the Capital City; and

Whereas, This fine class of young American citizens are here to observe and learn firsthand the workings of their State Government; now, therefore, be it

Resolved, That we officially recognize and welcome this class and commend them for their interest, and that a copy of this resolution, properly endorsed, bearing the official seal of the Senate, be mailed to them in recognition of their visit.

The resolution was read and was adopted.

Senator Martin presented the students and Mrs. Pinkard to the Members of the Senate.

Senate Resolution 67

Senator Ashley offered the following resolution:

Whereas, We are honored today to have in the gallery the entire student body of Medina High School of Bandera County, accompanied by Z. M. Cooke and A. P. Barecky; and

Whereas, These students and guests are on an educational tour of the Capitol Building and the Capital City; and

Whereas, This fine class of young American citizens are here to observe and learn firsthand the workings of their State Government; now, therefore, be it

Resolved, That we officially recognize and welcome this class and commend them for their interest, and that a copy of this resolution, properly endorsed, bearing the official seal of the Senate, be mailed to them in recognition of their visit.

The resolution was read and was adopted.

Senator Ashley presented the students and Mr. Cooke and Mr. Barecky to the Members of the Senate.

Presentation of Guests

Senator Secrest, by unanimous consent, presented students of Bosqueville School of Waco and teachers, Mr. and Mrs. Bennie Ballew, to the Members of the Senate.

Presentation of Guests

Senator Rogers of Travis, by unanimous consent, presented students of the Brentwood School of Austin, with teachers, Mrs. Bozarth and Miss Stone, to the Members of the Senate.

Senate Resolution 68

Senator Wagonseller offered the following resolution:

Whereas, We are honored today to have in the gallery of the Senate, Senator R. L. Proffer and Mr. David McKnight, teachers, and students from the Government Classes of North Texas State College, Denton, Texas; and

Whereas, These visitors are on an educational tour of the Capitol Building and the Capital City; now, therefore, be it

Resolved, That these individuals be officially welcomed and recognized by the Senate; and that they be extended the courtesies of the floor for the day.

The resolution was read and was adopted.

Senator Wagonseller presented the students and their teachers to the Members of the Senate.

Senate Resolution 69

Senator Colson offered the following resolution:

Whereas, We are honored today to have in the gallery the students of the 7th, 8th and 9th grades of the Austonio Public School, Austonio, Houston County, Texas, accompanied by their sponsors, Misses Jennie Spinks and Nelda Parks; and

Whereas, These students and guests are on an educational tour of the Capitol Building and the Capital City; and

Whereas, This fine class of young American citizens is here to observe and learn firsthand the workings of their State Government; now, therefore, be it

Resolved, That we officially recognize and welcome this class and commend them for their interest, and that a copy of this resolution, properly endorsed, bearing the official seal of the Senate, be mailed to them in recognition of their visit.

The resolution was read and was adopted.

Senator Colson presented the students and their sponsors, Misses Spinks and Parks, to the Members of the Senate.

Senate Resolution 70

Senator Bell offered the following resolution:

Whereas, We are honored today to have in the gallery 27 members of the Civics Class of the Three Rivers High School of Three Rivers, Texas, accompanied by Mr. S. F. Cobb, their teacher and sponsor; and

Whereas, These students and guests are on an educational tour of the Capitol Building and the Capital City; and

Whereas, This fine class of young American citizens are here to observe and learn firsthand the workings of their State Government; now, therefore, be it

Resolved, That we officially rec-

ognize and welcome this class and commend them for their interest, and that a copy of this resolution, properly endorsed, bearing the official seal of the Senate, be mailed to them in recognition of their visit.

The resolution was read and was adopted.

Senator Bell presented the students and Mr. Cobb to the Members of the Senate.

Message from the House

Hall of the House of Representatives,
Austin, Texas,
April 6, 1954.

Hon. Ben Ramsey, President of the Senate:

Sir: I am directed by the House to inform the Senate that the House has passed the following:

S. B. No. 1, A bill to be entitled "An Act amending Article IV of Senate Bill 116, Chapter 334, Acts of 51st Legislature, by adding a new section thereto to be designated as Section 1-a; amending Article V of Senate Bill 116, supra, as amended by Senate Bill 90, Chapter 198, Acts of 52nd Legislature and as amended by House Bill 367, Chapter 241, Acts of 53rd Legislature, by adding a new section to be designated as Section 1-a; amending Section 4 of Article V of Senate Bill 116, supra; amending Sections 2 and 4 of Article VI of Senate Bill 116, Acts of 51st Legislature, supra; providing a saving or severability clause; and declaring an emergency." (Teachers Salary Increase.) With amendments.

Respectfully submitted,

CLARENCE JONES,
Chief Clerk, House of Representatives.

House Bill 15 on Second Reading

On motion of Senator Aikin, and by unanimous consent, the regular order of business was suspended to take up for consideration at this time on its second reading and passage to third reading,

H. B. No. 15, A bill to be entitled "An Act levying certain taxes for the support of State government; amending Section III of Chapter 402, Acts, Regular Session, Fifty-second

Legislature levying a tax on the business or occupation of the producing of gas within this State; repealing Section XI of Chapter 402, Acts, Regular Session, Fifty-second Legislature, being codified as Subdivision 46 of Article 7047, Vernon's Annotated Civil Statutes of Texas with certain specified conditions thereto; levying increased franchise taxes on corporations; amending Section 1 of Article VIII of House Bill No. 8 of the Forty-seventh Legislature as amended, being codified as Article 7084, Vernon's Civil Statutes, so as to levy such increase; providing an effective date for such increased franchise taxes; providing for time and amount of payments of such increase in such franchise taxes as to the fiscal year May 1, 1954, to May 1, 1955; levying an increased tax on beer manufactured in Texas and on all beer imported into Texas; amending Section XX of Chapter 402, Acts, Regular Session, Fifty-second Legislature, which amends Section 23 of the Texas Liquor Control Act, as amended, codified as Article 667-23, Vernon's Penal Code of Texas, so as to levy such increase on the manufacture or importation of beer; levying an occupation tax on certain persons, firms or corporations engaged in selling, issuing or delivering trading stamps, checks, receipts, certificates, tokens, or other similar devices to persons, firms, or corporations engaged in trade or business, under certain conditions; providing for certain reports to be furnished the Comptroller; requiring the keeping of records and the adoption of rules and regulations by the Comptroller for the enforcement of the Act; providing a penalty for violation; providing an effective date for such increased tax; providing a saving and severance clause for this Act; repealing laws in conflict with this Act to the extent of such conflict only; allocating the revenues hereunder; and declaring an emergency."

The bill was read second time.

Senator Aikin offered the following committee amendment to the bill:

Amend House Bill No. 15 by striking out Article 5, and renumbering the following articles in proper sequence.

The committee amendment was adopted.

Senator Aikin offered the following committee amendment to the bill:

Amend House Bill 15 by striking out Article I and by inserting in lieu thereof the following:

"ARTICLE I

"Section 1. Subsection or paragraph (1) of Section 1, of Main Section 1 of House Bill No. 628, Chapter 269 of Acts, Forty-ninth Legislature, which is codified as Section 1(1) of Article 7047b, Vernon's Annotated Civil Statutes of Texas be, and the same is hereby, amended so as to read as follows:

"Section 1(1). There is hereby levied an occupation tax on the business or occupation of producing gas within this State, computed as follows:

"(a) From the effective date of this Act until September 1, 1955, a tax shall be paid by each producer on the amount of gas produced and saved within this State equivalent to 9.06% of the market value thereof as and when produced;

"(b) From September 1, 1955, until September 1, 1956, the rate of said tax shall be 8.06% of the market value of the gas as and when produced.

"(c) From and after September 1, 1956, the rate of said tax shall be 7.06% of the market value of the gas as and when produced.

"Provided, however, that the amount of the tax on sweet and sour gas shall never be less than 121/1500 of One Cent (1c) per one thousand (1,000) cubic feet.

"In calculating the tax herein levied, there shall be excluded: (1) gas injected into the earth in this State, unless sold for such purpose; (2) gas produced from oil wells with oil and lawfully vented or flared; and (3) gas used for lifting oil, unless sold for such purposes."

"Section 2. The provisions of this Article shall become effective on the first day of the first month after the effective date of this Act."

The committee amendment was read.

Senator Weinert offered the following amendment to the committee amendment:

Amend Section 2 of Article I of Committee Amendment No. 2 by providing that the same shall read as follows:

"Section 2. The provisions of this Article shall become effective on the first day of September, 1954."

The amendment to the committee amendment was adopted.

Senator Bracewell offered the following substitute for the committee amendment, as amended:

Amend House Bill 15 by striking out Article I and by inserting in lieu thereof the following:

"ARTICLE I

"Section 1. Subsection or paragraph (1) of Section 1, of Main Section 1 of House Bill No. 628, Chapter 269 of Acts, Forty-ninth Legislature, which is codified as Section 1(1) of Article 7047b, Vernon's Annotated Civil Statutes of Texas be, and the same is hereby, amended so as to read as follows:

"Section 1(1). There is hereby levied an occupation tax on the business or occupation of producing gas within this State, computed as follows:

"(a) From the effective date of this Act until September 1, 1955, a tax shall be paid by each producer on the amount of gas produced and saved within this State equivalent to 9% of the market value thereof as and when produced;

"(b) From and after September 1, 1955, the rate of said tax shall be 5.72% of the market value of the gas as and when produced.

"Provided, however, that the amount of the tax on sweet and sour gas shall never be less than 121/1500 of One Cent (1c) per one thousand (1,000) cubic feet.

"In calculating the tax herein levied, there shall be excluded: (1) gas injected into the earth in this State, unless sold for such purpose; (2) gas produced from oil wells with oil and lawfully vented or flared; and (3) gas used for lifting oil, unless sold for such purposes."

"Section 2. The provisions of this Article shall become effective on the first day of the first month after the effective date of this Act."

The amendment was read.

On motion of Senator Aikin, the substitute for the committee amendment was tabled by the following vote:

Yeas—19

| | |
|----------|------------------|
| Aikin | Moore |
| Colson | Parkhouse |
| Corbin | Rogers |
| Fuller | of Childress |
| Kazen | Rogers of Travis |
| Kelley | Rutherford |
| Lock | Secrest |
| Martin | Strauss |
| McDonald | Wagonseller |
| Moffett | Willis |

Nays—11

| | |
|-----------|----------|
| Ashley | Latimer |
| Bell | Phillips |
| Bracewell | Sadler |
| Hardeman | Shireman |
| Hazlewood | Weinert |
| Lane | |

Absent

Russell

Senator Lane offered the following amendment to the committee amendment:

Amend Committee Amendment No. 2 to H. B. 15 on page 13 by striking out in Subdivisions (a), (b) and (c) of Section 1 the figures:

"9.06," "8.06," and "7.06" and inserting in lieu thereof the figures: "9.00," "8.00" and "7.00" respectively.

The amendment to the committee amendment was adopted.

Senator Lane offered the following amendment to the committee amendment:

Amend Committee Amendment No. 2 to House Bill 15 by adding a new subsection or paragraph to be known as Subsection (3)-a to read as follows:

"(3)-a. Notwithstanding any other provision of law relating to production or severance taxes all that portion of the market value of the gas that is sought to be taxed and that is attributable to the liquid hydrocarbons that are received from such gas by mechanical methods shall be taxed at a rate equivalent to 5.72% of the market value of such liquid

hydrocarbons in lieu of the rates levied in Subsection (1) hereof."

LANE
SHIREMAN

The amendment was read.

Question—Shall the amendment by Senator Lane to the committee amendment be adopted?

Recess

On motion of Senator Hardeman, the Senate, at 12:15 o'clock p. m., took recess until 2:30 o'clock p. m. today.

After Recess

The President called the Senate to order at 2:30 o'clock p. m. today.

House Bill 15 on Second Reading

The Senate resumed consideration of the pending business (same being H. B. No. 15 on its second reading with a committee amendment and an amendment to the committee amendment by Senator Lane pending).

Question—Shall the amendment by Senator Lane to the committee amendment be adopted?

Senator Lane, by unanimous consent of the Senate, withdrew the pending amendment and offered the following substitute for the committee amendment, as amended:

Substitute Amendment to Committee Amendment No. 2

Amend House Bill No. 15 by striking out Article I and by inserting in lieu thereof the following:

"ARTICLE I

"Section 1. Subsection or paragraph (1) of Section 1, of Main Section 1 of House Bill No. 628, Chapter 269 of Acts, Forty-ninth Legislature, which is codified as Section 1(1) of Article 7047b, Vernon's Annotated Civil Statutes of Texas be, and the same is hereby, amended so as to read as follows:

" 'Section 1(1). There is hereby levied an occupation tax on the business or occupation of producing gas within this State, computed as follows:

" '(a) From the effective date of this Act until September 1, 1955, a tax shall be paid by each producer on the amount of gas produced and saved within this State equivalent to 9% of the market value thereof as and when produced;

" '(b) From September 1, 1955, until September 1, 1956, the rate of said tax shall be 8% of the market value of the gas as and when produced.

" '(c) From and after September 1, 1956, the rate of said tax shall be 7% of the market value of the gas as and when produced.

" 'Provided, however, that the amount of the tax on sweet and sour gas shall never be less than 121/1500 of One Cent (1¢) per one thousand (1,000) cubic feet.

" 'In calculating the tax herein levied, there shall be excluded: (1) gas injected into the earth in this State, unless sold for such purpose; (2) gas produced from oil wells with oil and lawfully vented or flared; and (3) gas used for lifting oil, unless sold for such purposes.'

"Section 2. Amend Section 1, of main Section 1 of House Bill No. 628, Chapter 269, Acts, 49th Legislature by adding a new subsection or paragraph to be known as Subsection (3)-a to read as follows:

"(3)-a Notwithstanding any other provision of law relating to production or severance taxes all that portion of the market value of the gas that is sought to be taxed and that is attributable to the liquid hydrocarbons that are received from such gas by mechanical methods shall be taxed at a rate equivalent to 5.72% of the market value of such liquid hydrocarbons in lieu of the rates levied in Subsection (1) hereof."

"Section 3. The provisions of this article shall become effective on the first day of September, 1954.

LANE
SHIREMAN

The amendment was read.

On motion of Senator Aikin the substitute for the committee amendment was tabled by the following vote:

Yeas—19

Aikin

Ashley

| | |
|-----------|------------------|
| Colson | Phillips |
| Corbin | Rogers |
| Fuller | of Childress |
| Lock | Rogers of Travis |
| Martin | Russell |
| McDonald | Secrest |
| Moffett | Strauss |
| Moore | Wagonseller |
| Parkhouse | Willis |

Nays—12

| | |
|-----------|------------|
| Bell | Lane |
| Bracewell | Latimer |
| Hardeman | Rutherford |
| Hazlewood | Sadler |
| Kazen | Shireman |
| Kelley | Weinert |

Senator Lane offered the following amendment to the committee amendment:

Amend House Bill 15 by adding to Article I thereof the following additional Section 2:

"Section 2. Subsection or paragraph (3) of Section 1 of Main Section 1 of House Bill No. 628, Chapter 269 of Acts, Forty-ninth Legislature, which is codified as Section 1(3) of Article 7047b, Vernon's Annotated Civil Statutes of Texas, be and the same is hereby amended so as to read as follows:

"Section 1(3). All condensate recovered from gas shall be taxed at the same rate as oil and shall be valued for the purpose of computing the tax due thereon at the prevailing market price for condensate in the general area where the same is recovered. The term "condensate" shall include all liquid hydrocarbons that are or can be recovered from gas by means of a separator but shall not include any liquid hydrocarbons which can only be recovered from gas by refrigeration or absorption and separated by a fractionating process.

"Where additional liquid hydrocarbons other than condensate are recovered from gas the taxable value of such additional liquid hydrocarbons shall be determined by deducting from the total receipts of the producer for all liquid hydrocarbons recovered from his gas the taxable value assigned to the condensate and the applicable rate set forth in subsection (1) of this Section 1 shall be applied to the difference to determine the tax due hereunder on such additional liquid hydrocarbons."

On motion of Senator Aikin, the

amendment to the committee amendment was tabled.

Senator Hardeman offered the following amendment to the committee amendment:

Amend House Bill 15 as amended by adding thereto a new Article to be known as "Article I(A)" to read as follows:

"ARTICLE I(A)

Section 1. The provisions of Texas Revised Civil Statutes on the interpretation of Statutes shall apply specifically to this Article. In addition to these standard definitions, in this Article, unless the context otherwise requires:

(a) "Gas" means natural and casinghead gas or other gas taken from the earth or waters, regardless of whether produced from a gas well or from a well also productive of oil, distillate, condensate or other product.

(b) "Casinghead gas" means any gas or vapor indigenous to an oil stratum and produced from such stratum with oil.

(c) "Person" means and includes any person, firm, concern, receiver, trustee, executor, administrator, agent, and institution, association, partnership, company, corporation, and persons acting under declarations of trust, as well as trustees acting under declarations of trusts.

(d) "Cubic foot of gas" or "standard cubic foot of gas" shall have the definition ascribed thereto by Texas laws, 1949, Chapter 519, Section 4, Texas Revised Civil Statutes (Vernon, 1948), Article 7047b, Section 2(12).

(e) "Comptroller" shall mean Comptroller of Public Accounts of the State of Texas.

Sec. 2. In addition to all other licenses and taxes levied and assessed in the State of Texas, there is hereby levied a tax on the privilege of withdrawing natural gas from the lands and waters of this State at the rate of one-twentieth (1/20 of one cent (1c) per unit of 1,000 cubic feet of gas withdrawn.

Sec. 3. The tax hereby levied shall be the liability of the person for whose use and benefit such gas is withdrawn from the lands and waters of this State, as hereinafter defined.

Sec. 4. Where a contract in writing confers upon one person the prior right to take title to gas produced from particular lands, leases or reservoirs in this State and imposes upon another person the obligation to produce gas from such lands, leases or reservoirs or to maintain and operate wells, or gathering or dehydration facilities, or to process or treat such gas so as to make delivery thereof as required by such contract, it shall be conclusively presumed (i) that by such contract gas in place under such lands or leases or within such reservoirs has been pledged, dedicated and set apart to satisfy such contract and (ii) that any gas which is delivered and accepted under such contract has been withdrawn from the lands and waters of this State for the use and benefit of the person taking title to such gas by virtue of such contract. If there be more than one such contract covering the same gas, the tax hereby levied shall be the obligation of the person who ultimately takes title to the gas in this State by virtue of such contracts. As to all other gas produced, it shall be conclusively presumed that gas when withdrawn from the lands and waters of this State is withdrawn for the use and benefit of the person taking it from the land or waters in this State and having the original possessory right thereto as and when the same is produced.

Sec. 5. In the event the same person is liable for the tax levied by Article I of this Act as well as by this Article I(A) on account of the same gas, such person shall be entitled to credit against the amount due under said Article I the tax voluntarily paid on such gas because of this Article I(A), it being the intention of this act that the same person shall not be required to pay both of said taxes on the same gas.

Sec. 6. The tax levied hereby shall be paid by the person liable therefor on or before the last day of each month on all gas withdrawn from the lands and waters in the State during the next preceding calendar month prior to the first day of the month in which payment is required to be made, and such payment shall be accompanied by such reports as the Comptroller may prescribe under the provisions of Section 4 of this Article. If such payment is not made within the time prescribed, the amount due shall become delinquent

and a penalty of two per cent (2%) of the amount of the tax shall be added to the amount due; and if said taxes are not remitted or paid within ten (10) days from the date the Comptroller gives such person liable therefor written notice of the amount due, such person shall be liable for an additional penalty of eight per cent (8%) of the amount of taxes due. All past due taxes and penalties shall draw interest at the rate of six per cent (6%) per annum.

Sec. 7. It shall be the duty of each person who purchases, receives, or otherwise acquires possession of gas withdrawn from the lands and waters in this State, including any person who processes, treats, dehydrates, compresses or otherwise processes any such gas, to keep accurate records within this State of all such gas. Such record shall include the volume of gas withdrawn, purchased, received or otherwise acquired and the disposition thereof. Such persons shall make such reports to the State as the Comptroller may require. The Comptroller shall prescribe the form of reports to be made and the time within which such reports shall be made.

The Comptroller shall have the power to prescribe such rules and regulations and to require such records and reports as may be needed to aid in the administration and enforcement of this Article.

Sec. 8. The Comptroller shall employ auditors and technical assistants for the purpose of verifying reports and investigating to determine whether the tax is being properly reported and paid. He shall have the power to enter upon the premises of any taxpayer liable for a tax under this Article, and any other premises necessary in determining the correct tax liability, and to examine, or cause to be examined, any books, or records, of any person, subject to a tax under this Article or mentioned in Section 4 of this Article, and to secure any other information directly or indirectly concerned in the enforcement of this Article, and to promulgate and enforce, according to law, rules and regulations pertinent to the enforcement of this Article, which shall have the full force and effect of law. Before any division or allotment of the tax collected under the provisions of this Article is made, one-fifth (1/5) of one per cent (1%) of the tax paid monthly as may be needed

in such administration and such enforcement is hereby appropriated for such purpose.

Sec. 9. In the event any person shall become delinquent in the payment of the proper taxes herein imposed, or fails to file the required reports with the Comptroller, the Attorney General by a suit in the name of the State of Texas shall have the right to enjoin such person from withdrawing gas from the lands and waters of this State until the delinquent tax is paid or said reports are filed, and the venue of any such suit for injunction is hereby fixed in the county where the offense occurs.

Sec. 10. If any person shall violate any of the provisions hereof, he shall forfeit to the State of Texas as a penalty not less than twenty-five dollars (\$25) for each violation and each day's violation shall constitute a separate offense. The State shall have a prior lien for all delinquent taxes, penalties, and interest on all property and equipment used by such person in his business, and if any person shall fail to remit the proper taxes, penalties, and interest due, or any of them, the Comptroller may employ auditors or other persons to ascertain the correct amount due. The Attorney General shall file suit in the name of the State of Texas for all delinquent taxes, penalties, and other amounts due, and for the enforcement of all liens under this Article; and the venue of any such suit is hereby fixed in Travis County.

Sec. 11. (A) If any person liable for the payment of the tax hereby levied, or required to remit the same to the Comptroller, fails or refuses to pay any tax, penalty, or interest within the time and manner provided by the Article and it becomes necessary to bring suit or to intervene in any manner for the establishment or collection of said claim in any judicial proceedings, any report filed in the office of the Comptroller by such person or his representative or a certified copy thereof certified to by the Comptroller showing the amount of gas on which tax, penalties or interest have not been paid, or any audit made by the Comptroller or his representative from the books of said person when filed and sworn to by such representative as being made from the records of said person, such report or audit shall be admissible in evidence in such proceedings and shall be prima facie evi-

dence of the contents thereof; provided, however, that the incorrectness of said report or audit may be submitted in evidence only against the party by or from whom it was made.

(B) In the event the Attorney General shall file suit of claim for taxes, provided for in the foregoing, and attach or file as an exhibit any report or audit of said person, and an affidavit made by the Comptroller or his representative that the taxes shown to be due by said report or audit are past due and unpaid and that all payments and credits have been allowed, then unless the party resisting the same shall file an answer in the form and manner required by Article 3736, Revised Civil Statutes of Texas of 1925, as amended by Chapter 239, Acts of the Regular Session of the Forty-second Legislature, said audit or report shall be taken as prima facie evidence thereof, and the proceedings of said Article are hereby made applicable to suits to collect taxes hereunder.

Sec. 12. The provisions of this Article shall apply to all gas produced on or subsequent to the first day of the first month after the effective date of this Article.

Sec. 13. Nothing herein is intended to vest any rights or privileges that do not presently exist under any existing contract or covenant or which would be in violation of any law or laws of this State.

The amendment was read.

On motion of Senator Aikin, the amendment to the committee amendment was tabled by the following vote:

Yeas—22

| | |
|-----------|------------------|
| Aikin | Moore |
| Ashley | Parkhouse |
| Bracewell | Phillips |
| Colson | Rogers |
| Corbin | of Childress |
| Fuller | Rogers of Travis |
| Hazlewood | Russell |
| Kazen | Secrest |
| Latimer | Strauss |
| Lock | Wagonseller |
| Martin | Willis |
| McDonald | |

Nays—9

| | |
|----------|--------|
| Bell | Kelley |
| Hardeman | Lane |

Moffett
Rutherford
Sadler

Shireman
Weinert

The committee amendment, as amended, was then adopted.

Senator Aikin offered the following committee amendment to the bill:

Amend House Bill No. 15 by adding the following language as the first part of the first sentence of Section 1 of Article II:

"Article XI of House Bill No. 8, Chapter 184 of Acts, Forty-seventh Legislature, Regular Session, as amended by."

The committee amendment was adopted.

Senator Aikin offered the following committee amendment to the bill:

Amend House Bill No. 15 by adding another Article thereto to be designated as Article V to read as follows:

"Article V

"Section 1. Amend Section 1(a) and (b) of Article XVI of House Bill 8, Acts Regular Session, 47th Legislature, as amended, (Vernon's Statutes Article 7060a) so as to read hereafter as follows:

"Section One. (Section 1 (a) and (b) of Article XVI of H. B. No. 8, Acts Regular Session, 47th Legislature, as amended, (Vernon's Statutes, Art. 7060a), is amended hereby so as to read hereafter as follows:

"Section 1. (a) The term 'person' shall for the purpose of this Article mean and include individuals, partnerships, firms, joint stock companies, associations and corporations.

"(b) An occupation tax at the rate and in the manner hereinafter provided is hereby imposed upon every person in this State engaged in the business of furnishing any service or performing any duty for others for a consideration or compensation with the use of any tools, instruments or equipment, whether electrical or mechanical, owned, controlled, or furnished by such person, or by means of any chemical, electrical or mechanical processes when such service or duty is performed in or at any oil or gas well during and in connection with the drilling and completion, or reworking or reconditioning of any such well, in

(1) cementing the casing seat of any oil or gas well, or

(2) shooting, fracturing or acidizing the sands or other formations of the earth in any such well, or

(3) surveying or testing such formations or the contents thereof, in any such well through the use of instruments or equipment at least a portion of which instruments or equipment is located within the well bore when the survey or test is made;

provided, however, that nothing herein contained shall be construed or held to impose a tax upon the business of drilling or reworking any oil or gas well, or upon any service incidental thereto performed by persons engaged in such drilling or reworking business.

"The tax hereby imposed shall be at the rate of 2.42% of the gross amount received from the services or duty specified above after deducting from such gross amount the reasonable value at the well of any material used, consumed, expended in or incorporated into the well. The amount received from such taxable services during the calendar month next preceding shall be reported under oath by the person subject to the tax imposed hereby on a form prescribed and furnished by the Comptroller and the tax thereon shall be paid to the Comptroller at his office in Austin, Texas, on or before the 20th day of each month.

"Section Two. All obligations, taxes, penalties and interest which have accrued to the State of Texas by virtue of the above Section as it existed before the passage of this Act, shall be and remain valid and binding obligations to the State of Texas, and are expressly preserved to the State.

"The passage of this Act shall not affect offenses committed or prosecutions begun, under any pre-existing law, but any such offenses or prosecutions may be conducted under the law as it existed at the time of the commission of the offenses."

The amendment was read.

Senator Lock offered the following amendment to the committee amendment:

Amend Committee Amendment No.

4 by Lock of House Bill No. 15 by striking out the following words:

"Section 1. Amend Section 1(a) and (b) of Article XVI of House Bill No. 8, Acts Regular Session, 47th Legislature, as amended (Vernon's Statutes, Article 7060a), so as to read hereafter as follows:

The amendment to the committee amendment was adopted.

The committee amendment, as amended, was then adopted.

Senator Aikin offered the following amendment to the bill:

Amend H. B. No. 15, Article IV, Section 2, Page 9, of the printed bill by striking out all words after the words "become effective" and inserting in lieu thereof the words "September 1, 1954."

The amendment was adopted.

Senator Phillips offered the following amendment to the bill:

Amend H. B. No. 15 by adding thereto a new article appropriately numbered and reading as follows:

"Article XIV of Chapter 184, Acts Reg. Sess., 47th Leg., as amended, is amended hereby by the addition of a new section numbered and reading as follows:

"(aa). No suit shall be brought for the collection of the taxes levied by the preceding Section 1 (a) unless instituted within two (2) years after the same shall have become delinquent; provided however this shall not affect or be applicable to any lawsuit pending on the effective date of this act'."

PHILLIPS
ROGERS of Travis
BRACEWELL
BELL
SADLER
LANE
PARKHOUSE
MOORE
SECREST
HAZLEWOOD
STRAUSS
ROGERS of Childress
RUTHERFORD
FULLER
KELLEY
ASHLEY

The amendment was adopted.

Senator Ashley offered the following amendment to the bill:

Amend House Bill No. 15 by adding a new section to be known as Section 3a to read as follows:

Section 3a. At the end of each biennium, the State Comptroller shall cause a computation to be made to determine the amount of surplus revenue on hand in the General Revenue Fund. One-half ($\frac{1}{2}$) any such surplus revenue shall be allocated and transferred, and the same is hereby allocated and transferred, to a Special Fund which is hereby created to be designated as the Water Resources Development Fund. Appropriations from the Water Resources Development Fund shall be as future legislatures may direct for the purpose of paying salaries, planning, conducting surveys and studies, topographic mapping, and for aiding in the construction of projects for the purpose of conserving, developing and beneficially using the water resources of the State of Texas.

ASHLEY
HARDEMAN
SADLER
MOFFETT
BELL
KAZEN
RUTHERFORD
ROGERS of Childress
KELLEY
LATIMER
HAZLEWOOD

On motion of Senator Aikin the amendment was tabled by the following vote:

Yeas—18

| | |
|----------|------------------|
| Aikin | Parkhouse |
| Colson | Rogers of Travis |
| Corbin | Russell |
| Fuller | Secrest |
| Lane | Shireman |
| Lock | Strauss |
| Martin | Wagon seller |
| McDonald | Weinert |
| Moore | Willis |

Nays—13

| | |
|-----------|----------|
| Ashley | Kazen |
| Bell | Kelley |
| Bracewell | Latimer |
| Hardeman | Moffett |
| Hazlewood | Phillips |

**Rogers
of Childress**

**Rutherford
Sadler**

Senator Aikin asked unanimous consent to reconsider the vote by which Committee Amendment No. 2 was adopted.

There was no objection offered.

Senator Aikin then asked unanimous consent to reconsider the vote by which the Lane amendment to Committee Amendment No. 2 specifying tax rate on condensate was tabled.

There was no objection offered.

Question recurred on the following amendment by Senator Lane to the committee amendment:

Amend House Bill No. 15 by adding to Article I thereof the following additional Section 2:

"Section 2. Subsection or paragraph (3) of Section 1 of Main Section 1 of House Bill No. 628, Chapter 269 of Acts Forty-ninth Legislature, which is codified as Section 1(3) of Article 7047b, Vernon's Annotated Civil Statutes of Texas, be and the same is hereby amended so as to read as follows:

'Section 1(3). All condensate recovered from gas shall be taxed at the same rate as oil and shall be valued for the purpose of computing the tax due thereon at the prevailing market price for condensate in the general area where the same is recovered. The term "condensate" shall include all liquid hydrocarbons that are or can be recovered from gas by means of a separator but shall not include any liquid hydrocarbons which can only be recovered from gas by refrigeration or absorption and separated by a fractionating process.

Where additional liquid hydrocarbons other than condensate are recovered from gas the taxable value of such additional liquid hydrocarbons shall be determined by deducting from the total receipts of the producer for all liquid hydrocarbons recovered from his gas the taxable value assigned to the condensate and the applicable rate set forth in subsection (1) of this Section 1 shall be applied to the difference to determine the tax due hereunder on such additional liquid hydrocarbons'."

The amendment was then adopted.

The committee amendment, as amended, was again adopted.

On motion of Senator Aikin, and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

On motion of Senator Aikin, and by unanimous consent, authorization was given to renumber the sections of H. B. No. 15.

The bill, as amended, was passed to third reading.

Record of Vote

Senators Lane, Hardeman and Weinert asked to be recorded as voting "nay" on the passage of H. B. No. 15 to third reading.

Motion to Place House Bill 15 on Third Reading

Senator Aikin moved that the constitutional rule requiring bills to be read on three several days be suspended and that Senate Bill No. 15 be placed on its third reading and final passage.

The motion was lost by the following vote (not receiving four-fifths vote of the Members present):

Yeas—24

| | |
|-----------|------------------|
| Aikin | Moore |
| Bell | Parkhouse |
| Colson | Rogers |
| Corbin | of Childress |
| Fuller | Rogers of Travis |
| Hazlewood | Russell |
| Kazen | Rutherford |
| Kelley | Sadler |
| Latimer | Secrest |
| Lock | Strauss |
| Martin | Wagonseller |
| McDonald | Willis |
| Moffett | |

Nays—7

| | |
|-----------|----------|
| Ashley | Phillips |
| Bracewell | Shireman |
| Hardeman | Weinert |
| Lane | |

Presentation of Guests

Senator Rogers of Travis, by unanimous consent, presented students of Allan Junior High School of Austin, accompanied by their teachers, Mrs. Jack Allison and Mrs. Raymond Anderson, to the Members of the Senate.

Message from the House

Hall of the House of Representatives,
Austin, Texas,
April 6, 1954.

Hon. Ben Ramsey, President of the
Senate.

Sir: I am directed by the House
to inform the Senate that the House
has passed the following:

S. B. No. 7, A bill to be entitled
"An Act making appropriations for
completion, construction, and equip-
ment of new buildings for the South-
western Medical School, the Univer-
sity of Texas Dental Branch, and the
Texas Prison System and for re-
placement or renovation of physical
plant and equipment for the Texas
School for the Deaf; fixing terms
governing architectural fees and serv-
ices authorized by the Act; and de-
claring an emergency."

S. B. No. 2, A bill to be entitled
"An Act making an appropriation
for an increase in salaries of state
officials and state employees for the
period beginning with the effective
date of this Act and ending on Au-
gust 31, 1955, supplementing the sal-
aries designated and/or provided for
in H. B. 111, Acts of the Regular

Session of the 53rd Legislature; and
declaring an emergency."

(With amendments.)

Respectfully submitted,

CLARENCE JONES,
Chief Clerk, House of Representatives.

Reason for Vote

Reason for voting "yea" on mo-
tion to table Ashley amendment to
H. B. No. 15.

We will vote for any legislation
that will help provide more water
resources for Texas but this amend-
ment does not accomplish this worthy
end. This amendment is not germane
to H. B. No. 15 which provides money
for a teachers' pay raise and other
worthy purposes and might wreck the
entire bill. It attempts to provide
money for water resources by setting
aside one-half ($\frac{1}{2}$) the surplus of
the general revenue fund in the fu-
ture, if any. It thus seeks to appro-
priate non-existent monies. Even if
there is surplus money in the future,
the legislature can then appropriate
same for water resource use easier
if this amendment is not adopted.

**WILLIS
WAGONSELLER**

Adjournment

On motion of Senator Hardeman,
the Senate, at 4:42 o'clock p. m.,
adjourned until 10:30 o'clock a. m.
tomorrow.

In Memory of Theophilus Nils Mauritz

Senator Bell offered the following resolution:

(Senate Resolution 61)

Whereas, On June 29, 1953, the City of Ganado and the State of Texas lost one of their most distinguished and honored citizens in the passing of Theophilus Nils Mauritz; and

Whereas, Mr. Mauritz was born December 15, 1875, in Torup, Sweden. He came to America in 1879 and lived for five years in Iowa. He moved to Nebraska and attended the Luther Academy at Wahoo, Nebraska; and

Whereas, Mr. Mauritz moved to Texas in 1894. He established a bank at Ganado, Texas in 1898. He has been active President of the Citizens State Bank in Ganado for the past twenty years; and

Whereas, Mr. Mauritz served in the House of Representatives of the State of Texas from 1928 to 1930. His brother, the late Senator Fred Mauritz, who died in 1947, was an outstanding statesman as a Member of the Texas Senate, for he served well and faithfully the constituents of his District; and

Whereas, Mr. Mauritz was an outstanding banker, and he was a successful rancher and farmer. He stocked the famed Santa Gertrudis cattle. His major farm crops were rice and cotton; and

Whereas, He was a member of the Augustana Lutheran Church. His presence will be missed in civic, business and religious circles where he gave so much of himself in exerting a physical and moral influence on the activities and accomplishments, the goals and ideals of these groups; and

Whereas, He was a member of the Texas Swedish Cultural Foundation, the Scandinavian Club of Houston, the Texas Good Roads Association and the Board of Trustees of the Folke Bernadotte Foundation; and

Whereas, On December 29, 1952, the esteemed Mr. Mauritz was knighted by the King of Sweden and made a Member of the Swedish Order of Vasa. This honor was bestowed on him by the Swedish Consul in Houston. Mr. Mauritz was honored by Gustavus Adolphus College, St. Peter, Minnesota, with an honorary degree of Doctor of Humane Letters; and

Whereas, Mr. Mauritz is survived by his widow, Mrs. Sallie Mauritz, Ganado; his daughters, Mrs. Adair Nelson, Ganado, Mrs. Fred Strauss, Seguin, Mrs. John Fenner, Beeville; his son, Mr. Marcus Mauritz, Ganado; his sisters, Mrs. C. F. Combs, Cuero, Mrs. A. W. Swenson, Ganado, Miss Jennie Mauritz, Austin; his brother, Mr. Harry Mauritz, Edna; and

Whereas, It is the desire of the Senate to pay tribute to the useful and worthy life of Theophilus Nils Mauritz and to extend our sympathy to his family and his many friends; now, therefore, be it

Resolved, That the Senate express its deepest regret and that a page be set aside in the Senate Journal as a memorial; that a copy of this Resolution be forwarded to his family; and, be it further

Resolved, That when the Senate adjourns today it do so in loving respect to Theophilus Nils Mauritz.

BELL

Signed—Ben Ramsey, Lieutenant Governor; Aikin, Ashley, Bracewell, Colson, Corbin, Fuller, Hardeman, Hazlewood, Kazen, Kelley, Lane, Latimer, Lock, Martin, McDonald, Moffett, Moore, Parkhouse, Phillips, Rogers of Travis, Rogers of Childress, Russell, Rutherford, Sadler, Secrest, Shireman, Strauss, Wagonseller, Weinert, Willis.

The resolution was read.

On motion of Senator Weinert, the names of the Lieutenant Governor and all the Senators were added to the resolution as signers thereof.

The resolution was then adopted by a rising vote of the Senate.